

Iraq Weekly Status Report

January 23, 2008

**Bureau of Near Eastern Affairs
US Department of State**



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HIGHLIGHTS

- The Council of Representatives passed a measure for a new design to the Iraqi National Flag, removing the three Saddam-era stars. **(POLITICAL, page 4)**
- The Amnesty Law, offering amnesty to thousands of detainees and publicly supported by PM Maliki, had its first reading January 21. **(POLITICAL, page 4)**
- The International Monetary Fund estimates that Iraqi GDP will grow by 7% in 2008. **(ECONOMIC, page 12)**
- Staffan de Mistura, top UN envoy in Iraq, reported to the UN Security Council that significant progress has been made in Iraq in the areas of security, the economy, and the political front. **(DIPLOMATIC, page 23)**



POLITICAL - Governance & Legislation

New Iraqi National Flag:

- The Council of Representatives passed a measure to adopt a new design for the Iraqi national flag January 22. The vote was 110 in favor out of 165 in the chamber. The new design removes the three stars from the Saddam-era flag and -- while leaving the words "Allah Akhbar" in green along the center white stripe -- it changes the script from that of Saddam's handwriting to the standard Kufic Arabic script. The design came as an unexpected proposal from Second Deputy Speaker Aref Tayfour. It was one of four designs before the CoR for a vote, and was the first to be voted on. If ratified by the Presidency Council it will be published in the gazette and then be used for a year across Iraq and at Iraqi diplomatic missions overseas.

Iraqi Parliament's First Reading of Draft Amnesty Bill:

- The Amnesty Law, which offers a general amnesty to thousands of detainees held in U.S. and Iraqi prisons, had its first reading in Iraq's parliament January 21. The Prime Minister has publicly supported the law and pressed for urgent passage. Those affected by the law, mostly Sunni Arabs, have been held on suspicion of supporting the Iraqi insurgency. U.S. forces advocate the amnesty bill as an important step toward national reconciliation. The bill will not affect prisoners convicted of, or formally charged with, terrorism or other violent crimes.



POLITICAL - Governance & Legislation

Asylum Program for Iraqi Translators:

- The Washington Post reports that the U.S. program for granting Special Immigrant Visas (SIVs) to Iraqi translators has fallen short of demand. The program initially covered 50 individuals in 2006, 500 annually for 2007 and 2008, and is scheduled to drop back to 50 in FY 2009. As of September 2007, 429 Iraqi translators (and their families) have been admitted to the U.S. under the SIV program. About 7,000 Iraqi interpreters have worked for U.S. forces since 2003. An amendment proposed by Senator Kennedy to the 2008 defense authorization bill would raise the SIV cap to 5,000 over the next five years.

Iraq's 2008 Budget Stalled:

- Iraqi lawmakers failed to ratify the GOI's 2008 budget during its January 22 session. Parliamentary speaker Mahmud Mashhadani called the heads of Iraq's main political blocs to a meeting after they failed to approve the \$48 billion budget and urged them to pass it when parliament meets again January 25. Leaders of several political parties have voiced complaints with the proposed budget, especially the 17% allocated to the KRG.

USG Contributes \$20 Million for Refugee Health Needs:

- The State Department announced January 17 its contribution of \$20 million to the UN's \$84.8 million health appeal for Iraqi refugees. The USG is the first contributor to this appeal, which was launched in September 2007



POLITICAL - Provincial

Babil Political and Military Leaders Converge on Jurf al-Sakhr:

- PRT Babil and Coalition forces traveled January 23 with the Babil Deputy Governor Hassun Ali Hassun, Deputy Provincial Council Chair Dr. Na'ama Jasim, Iraqi Army Commander Brigadier General Abdul-Amir, Iraqi Police Chief BG Fadhil Raddad, and Hillah Swat Commander BG Abbas Al-Jaburi to Jurf al-Sakhr, a community in north Babil Province, to meet with local leaders. Shaykh Sabah, Local Council Leader and head of the local "awakening council," has led the campaign there to drive out the insurgent groups and restore security to the area; he is now turning his focus to providing essential services. The event underscored the importance of interaction between provincial leaders and local council members.



POLITICAL – Government of Iraq

Coalition Affiliation
United Iraq Alliance
Kurdistani Alliance
Iraqi Accord Front
Iraqi National List
Other / Independent

Deputy President
Tariq al-Hashimi
Deputy Prime Minister
Barham Salih

President
Jalal Talabani
Prime Minister
Nuri al-Maliki

Deputy President
'Adil 'Abd al-Mahdi
Deputy Prime Minister
* (Formerly Tawafuq)

(F) = Female

* Vacant: Due to Party Withdrawal from GOI

Minister of Agriculture Ali al-Bahadeli	Minister of Communications * (Formerly Iraqiya)	Minister of Culture 	Minister of Defense Abdul Qadir Muhammed Jasim al-Mufraji	Minister of Displacement & Migration Abd al-Samad Rahman Sultan	Minister of Electricity Karim Wahid
Minister of Education Khudayyir al-Khuza'i	Minister of Environment Narmin 'Uthman (F)	Minister of Finance Bayan Jabr	Minister of Foreign Affairs Hoshiyar Zebari	Minister of Health Saleh al-Hasnawi	Minister of Higher Education * (Formerly Tawafuq)
Minister of Human Rights Wijdan Mikha'il (F)	Minister of Industry & Minerals Fawzi al-Hariri	Minister of Interior Jawad al-Bulani	Minister of Justice Safa al Safi (acting)	Minister of Housing & Construction Bayan Daza'l (F)	Minister of Labor & Social Affairs Mahmud Muhammad Jawad al-Radi
Minister of Oil Husayn al-Shahristani	Minister of Planning Ali Baban	Minister of Trade Abd al-Falah al-Sudani	Minister of Science & Technology Ra'id Fahmi Jahid	Minister of Municipalities & Public Works Riyad Ghurayyib	Minister of Transportation
Minister of Water Resources 'Abd al-Latif Rashid	Minister of Youth & Sports Jasim Muhammad Ja'far	Minister of State for Civil Society Wijdan Mikha'il (acting)	Minister of State for National Dialogue Affairs Akram al-Hakim	Minister of State for National Security Affairs Shirwan al-Waili	
Minister of State for Foreign Affairs * (Formerly Tawafuq)	Minister of State for Governorates Affairs 	Minister of State for Tourism and Antiquities 	Minister of State for Women's Affairs * (Formerly Tawafuq)	Minister of State for CoR Affairs Safa al-Safi	



POLITICAL – Key Legislation and Refugee Update

Legislative Process

Council of Ministers (CoM)



Shura Council



Council of Representatives (CoR)

Debate after 2nd Reading, Vote after 3rd Reading, and Committee Reports Throughout



Presidency Council



Published in Official Gazette

De-Ba'athification Reform

The CoR passed the amended law January 12; the law is under review before being sent to the Presidency Council

Provincial Powers

Major political blocs within the GOI are working on a compromise on the level of authority over provinces allocated to the central government

Elections

The Prime Minister's Office is currently drafting the law, which will set the legal basis and structure of provincial and national elections

Hydrocarbons (Package of 4)

The level of control allocated to the central government in the July 2007 draft version of the Framework Law (currently in CoR Committee) is the key point of disagreement; there may be more progress on the Revenue Management Law, currently with the Shura Council, in the coming months

General Pardon Law (Amnesty)

Had its first reading in the CoR January 21

Pensions Amendment

PASSED: Published in the Official Gazette in December 2007

Refugee Update

Refugees in the region: 2-2.4 million

Internally displaced persons in Iraq: 2.2-2.4 million

Total number of Iraqi refugees admitted to the U.S. to date in FY07-FY08: 2,665



SECURITY - Situation Update

LTG Raymond Odierno Briefs Progress:

- Lieutenant General Raymond Odierno, MNC-I Commander, gave a situational security update January 17.
 - He reported that since June 2007, attacks across the country have declined by 60%. The attack levels are about the same as early 2005 and periods of 2004.
 - In June 2007, there were almost 1,700 IED incidents; this declined to fewer than 700 in December.
 - From January to December of 2007, ethno-sectarian attacks and deaths decreased over 90% in the Baghdad security districts.
 - LTG Odierno stated, "Although AQI remains a dangerous threat, its capabilities have been diminished. AQI has been pushed out of urban centers like Baghdad, Ramadi, Fallujah and Baqubah and forced into isolated rural areas."

Operation Phantom Phoenix, Comprised of 18 Battalions, Makes Gains:

- 1,023 Detained
- 121 Enemy KIA and 14 Enemy WIA
- 92 High Value Individuals Captured or Killed
- 351 Caches Found and Cleared
- 410 IEDs Found and Cleared
- 4 Tunnel Complexes Discovered



SECURITY - Security Transition

Iraq's Security Forces Playing an Integral Role in Operation Phantom Phoenix:

- Based on Iraqi intelligence collection capabilities, the Iraqi Army located a large weapons cache northeast of Fallujah January 14. The cache consisted of over 90 mortar rounds, blasting caps, and small arms ammunition. The capturing unit estimates that cache contained enough ordnance to construct over 20 IEDs.
- Iraqi Special Operations Forces in Mosul detained a terrorist cell leader whose cell was involved in storing and placing IEDs and car bombs for attacks throughout Mosul.

Iraqi Air Force Graduates New Warrant Officers:

- The Iraqi Air Force Training School graduated 116 new warrant officers from its basic military training course held in Taji January 8.
- The course lasted 60 days and focused on basic military training and professional military education. Other areas of training included military leadership, profession of arms, standards of conduct, self aid and buddy care, security programs, and others. The graduates will receive follow-on technical training on aircraft maintenance.



SECURITY - Iraqi Security Forces

Iraq Security Forces as of December 1, 2007 ^a			
Component	Current Authorized Personnel ^b	Assigned Personnel ^c	Total Trained Personnel to date ^d
Ministry of Interior (MoI) Forces ^e			
Iraqi Police Service ^f	271,850	269,199	176,126
National Police ^g	33,861	31,835	36,504
Border Enforcement	38,000	38,972	31,431
Total MoI	343,711	340,006	244,061
Ministry of Defense (MoD) Forces ^h			
Army	186,352	153,871	173,545
Support Forces	17,369	17,252	18,208
Air Force	2,907	1,221	1,286
Navy	1,483	1,109	1,194
Total MoD	208,111	173,453	194,233
Counter Terrorism Bureau			
Special Operations	3,967	3,187	3,485
Total Iraqi Security Forces	555,789	516,646	441,779

a Numbers do not include ministry staffs.

b Numbers reflect Government of Iraq (GOI) authorizations.

c Numbers are based upon GOI payroll data and do not reflect present for duty totals.

d Numbers reflect assigned personnel that have received training.

e Numbers reflect total ISF personnel trained to date, some of which are no longer assigned due to casualties, AWOL, and normal separation.

f MoI strength does not reflect investigative and administrative forces, the MoI HQ, MoI Forensics, Dignitary Protection, or contracted guards.

g MoI Police Support Unit, Provincial Security Force, and Emergency Response Unit personnel are part of the Iraqi Police Service and does not include other Ministry FPS.

h The MoD strength are derived from Modified Tables of Organization and Equipment (MTOEs).



ECONOMIC – Economic & Government Capacity Update

IMF Estimates Iraq GDP to Grow 7% in 2008:

- The International Monetary Fund estimates that Iraqi GDP will grow by 7% in 2008 if Iraq successfully completes the new Stand-By Arrangement (SBA) program and increases oil production. The IMF emphasized in the new SBA report that the GOI's fiscal health depends on increased investment and production in the oil sector. GOI initiatives to meet the growth goal for 2008 include economic reforms and oil re-pricing. The IMF released a statement saying the GOI's 2007 "fiscal stance was successful in containing current spending, but fell short in the implementation of the ambitious investment program, which combined with the difficult security situation prevented the envisaged expansion of oil output. Rising oil prices, however, more than offset the production shortfall, thus helping to preserve fiscal sustainability. High inflation was sharply reduced by appreciating the exchange rate, tightening monetary policy, and controlling government spending." The SBA program also calls for public bank restructuring, which will strengthen public financial management.

Inflation Rates for 2007 Significant Reduction from 2006:

- According to the GOI's December Consumer Price Index, headline inflation rose 0.8%, bringing the full-year 2007 inflation to 4.7%, an impressive drop from a rate of 64.8% just a year ago. Core inflation (excluding fuel/transport) decreased from 15.4% in November to 12.3% in December. The Central Bank's monetary tightening policy is largely responsible for the reduction in the inflation rate.



ECONOMIC – Oil

Crude Oil Update:

Price averages in world markets closed with the following prices:

Basrah Light at \$85.102/ barrel

Dated Brent at \$90.27/barrel

WTI Cushing at \$91.468/ barrel

Oman/Dubai at \$86.638/barrel

Revenue estimates:

2006: \$31.3 Billion

2007: \$41.0 Billion (estimate)

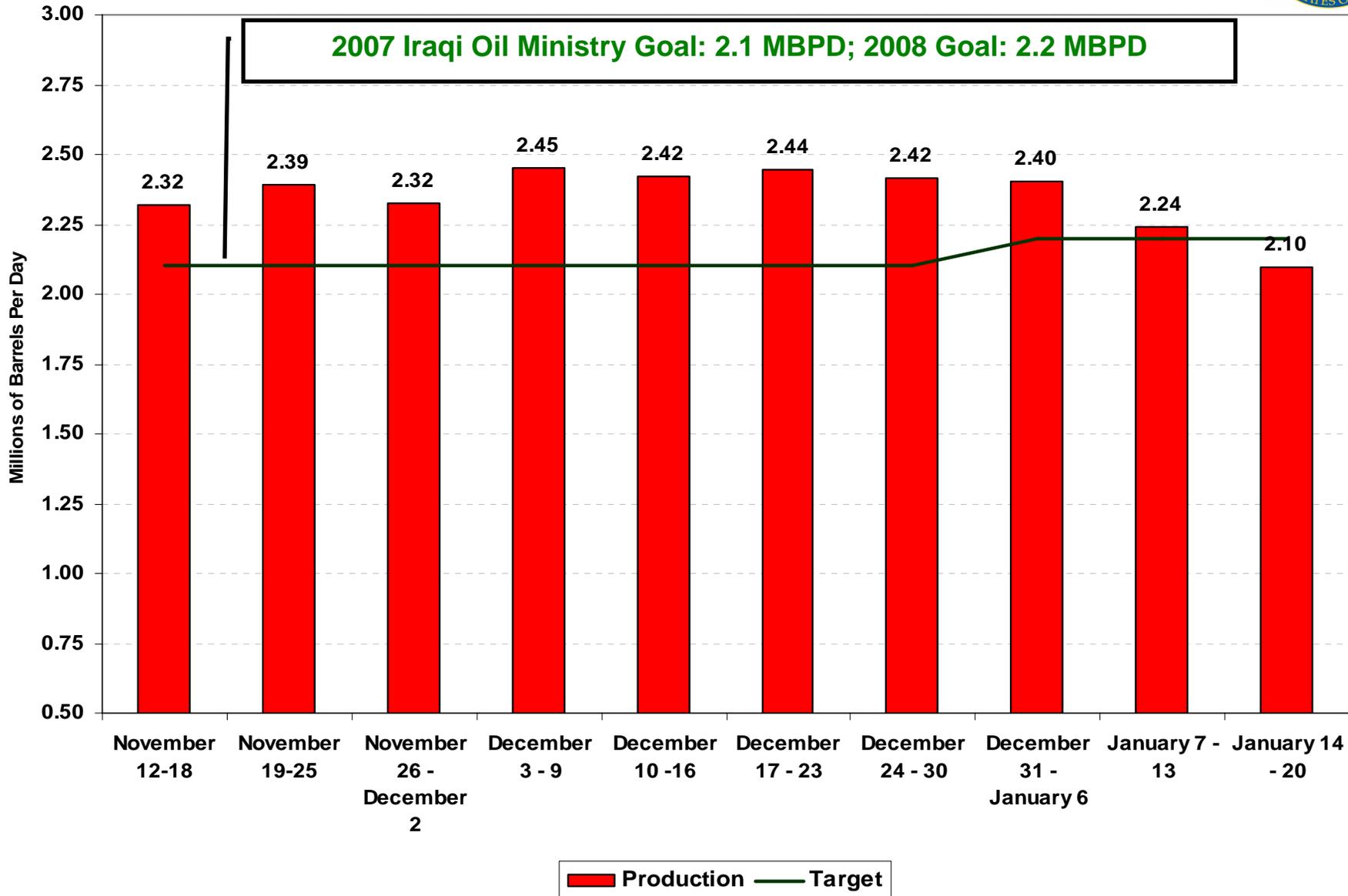
Oil Minister Reinforces Stance Against KRG Signed Contracts:

- Iraqi Oil Minister Hussein al-Shahristani has maintained that contracts signed with the KRG are illegal and that any company that signs such contracts will not be allowed to purchase Iraqi oil or bid on future hydrocarbon projects. SK Energy, a South Korean refiner, has had Iraqi crude shipments cut recently as it was a member of a consortium which signed a deal with the KRG. SK Energy is expected to increase imports from Iraq's neighboring countries. Other companies are trying to find ways around the Minister of Oil's declaration. India's Reliant Oil signed an oil deal with the KRG in 2006; since Shahristani previously set February 2007 as the date after which any oil contracts signed with the KRG would be invalid, Reliant does not expect to be affected. Reliant intends to pre-register with the Ministry of Oil by the January 31st pre-registration deadline announced by the Oil Ministry for its upcoming tendering of upstream licensing production-sharing agreements and possibly technical service agreements, to begin later this year.



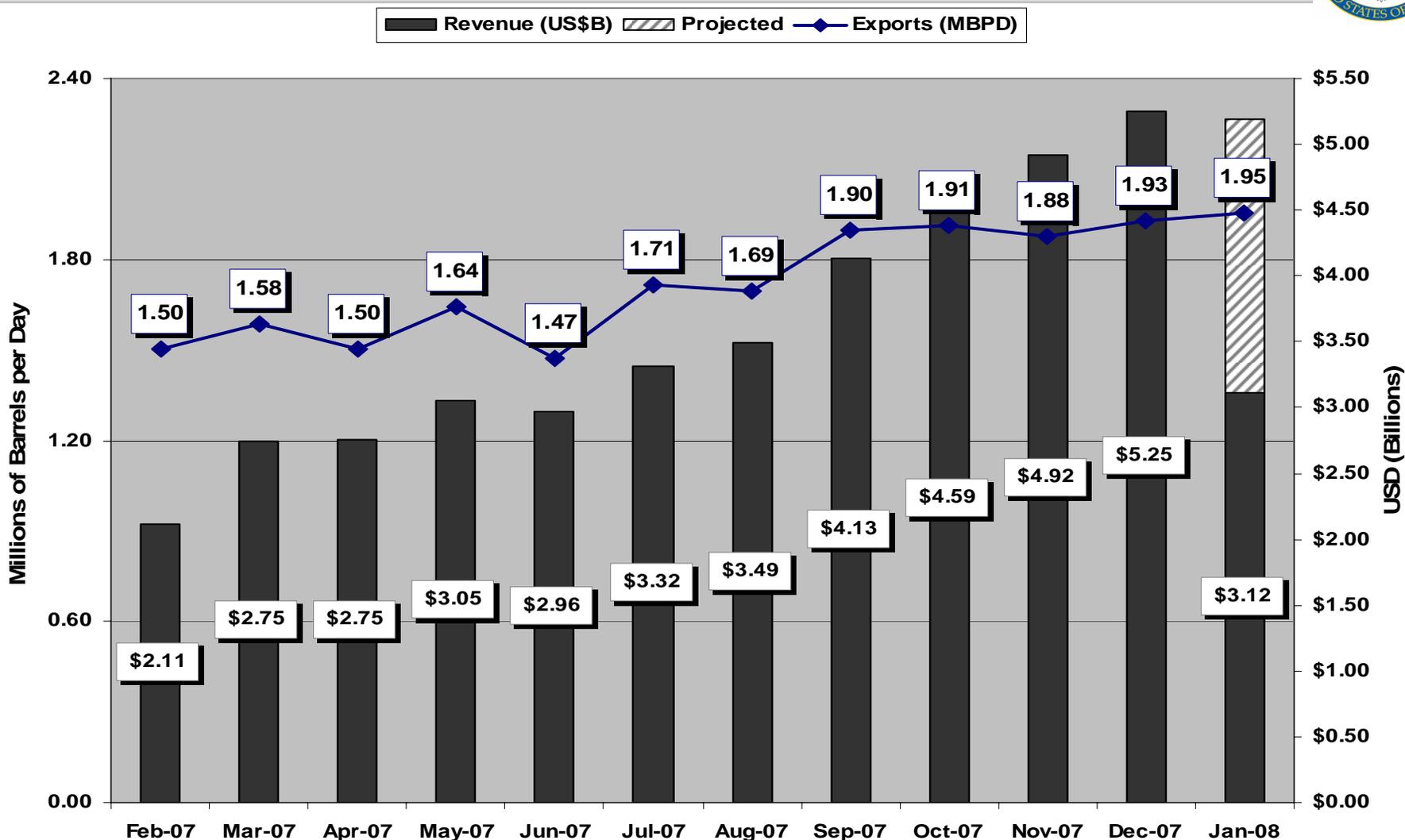
ECONOMIC – Crude Oil Production

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ECONOMIC – Crude Oil Export

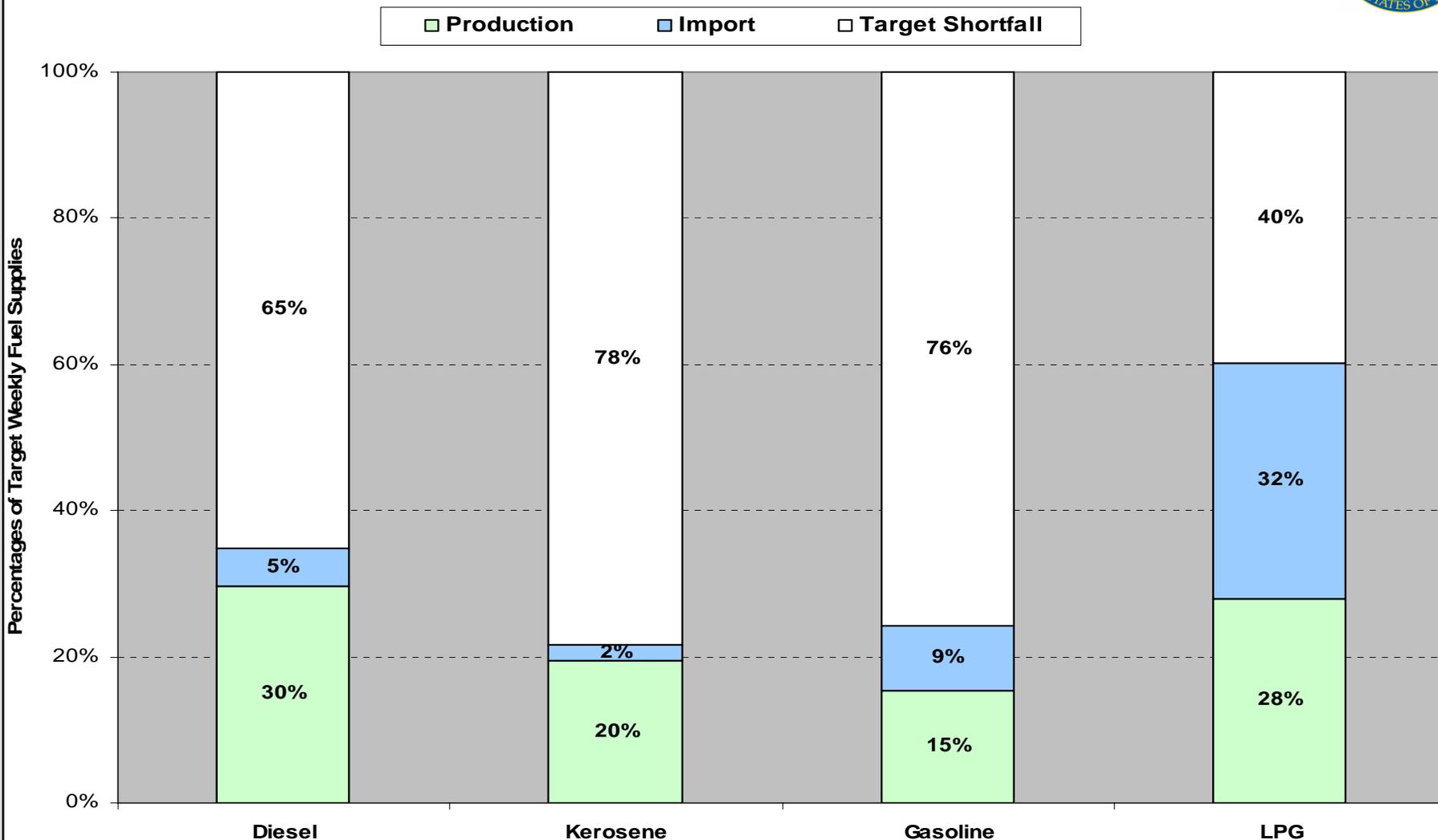


- 2006 Revenue Estimate: \$31.3 Billion
- 2007 Revenue Estimate: \$41.0 Billion (Year to Date)



ECONOMIC – Total Critical Refined Product Supplies

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Note: This is a daily average for January 14 – 20

- Diesel: 8.5 ML supply of 24.5 ML target
- Gasoline: 6.5 ML supply of 26.8 ML target
- Kerosene: 3.2 ML supply of 14.6 ML target
- LPG: 3,067 tons supply of 5,100 tons target



ECONOMIC – Electricity

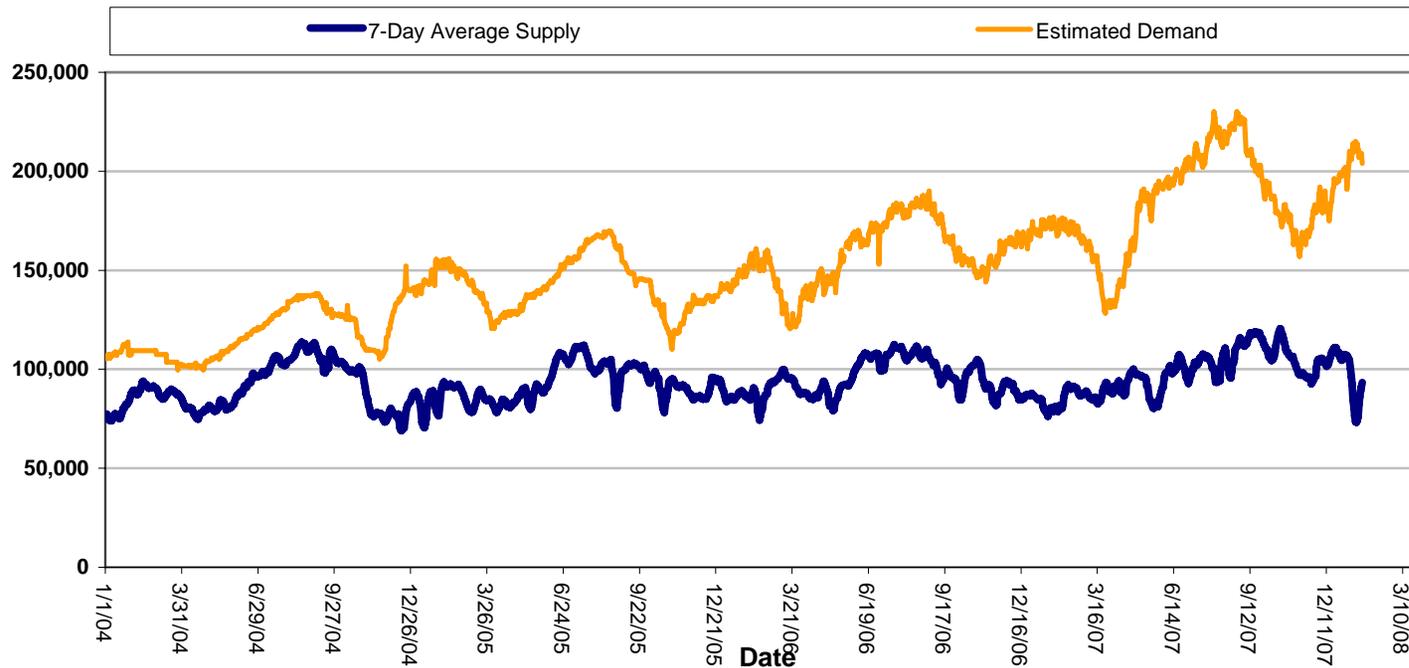
GOI Ministries Review Plan to Increase Power Grid Security:

- The GOI Ministries of Defense and Interior are currently reviewing a plan to increase security for Iraq's power grid. The Ministry of Electricity, which blames sabotage as the main cause for current power shortages, has endorsed the plan. The plan calls for additional security forces to protect the national grid. Additionally, the pylon pathways used to distribute power would be diverted to regions with fewer incidents of violence. Electric stations would be relocated to these regions.



ECONOMIC – Electricity

Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004

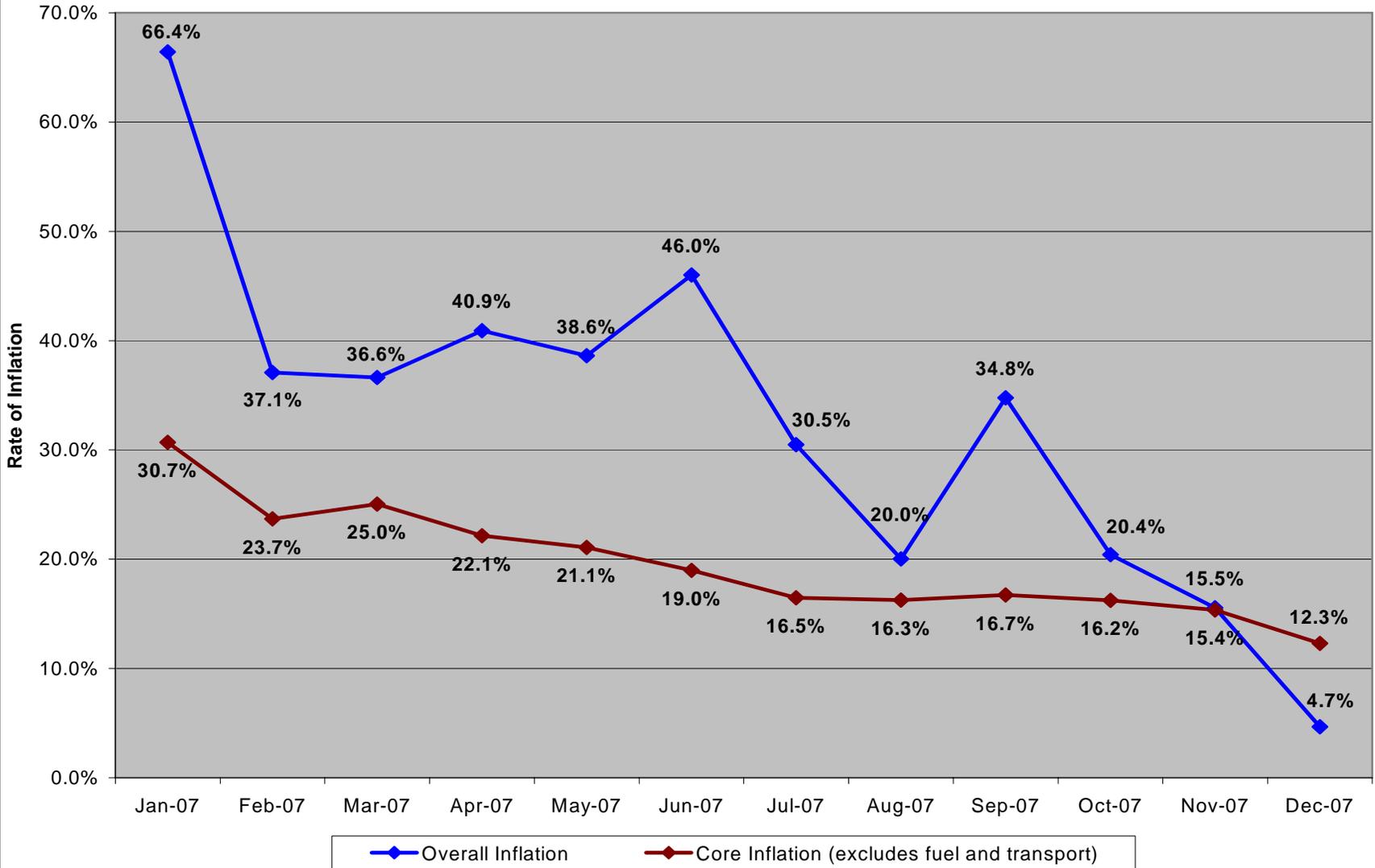


- For, January 16-22 daily electricity demand was 21% above the same period last year. Daily supply from the grid was 18% above the year-earlier period and met 45% of demand, compared with 46% for the year-earlier period.
- For January 15-21, average hours of power via the electricity grid after meeting demand from essential services: Baghdad 6.5 and nationwide 8.4. Year-ago levels were Baghdad 4.5 and nationwide 7.8.



ECONOMIC – Economic Indicators

Year-on-Year Inflation



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ECONOMIC – Economic Indicators

Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Commercial Bond Sales				
Price (USD)	\$67.00	\$66.39	\$65.81	\$62.82
Yield	9.52%	9.62%	9.70%	10.16%
Central Bank's USD Currency Auction				
USD Sold	\$88,741,250	\$155,653,333	\$39,299,333	\$66,957,492
NID Exchange Rate	\$1,214	\$1,215	\$1,217	\$1,254.00
Total Employed by USG Programs				
	95,414	93,253	111,398	N/A



ECONOMIC - Iraq Relief and Reconstruction Fund (IRRF) 1 and 2

Sector			Committed			Obligated			Disbursed		
	Allocated	Un-allocated	Last Week	Current	Change	Last Week	Current	Change	Last Week	Current	Change
Security and Law Enforcement	\$4,985	\$20	\$4,961	\$4,961	\$0	\$4,961	\$4,961	\$0	\$4,855	\$4,855	\$0
Justice, Public Safety and Civil Society	\$2,264	\$44	\$2,253	\$2,253	\$0	\$2,250	\$2,250	\$0	\$2,145	\$2,145	\$0
Electricity Sector	\$4,201	\$25	\$4,066	\$4,068	\$2	\$4,046	\$4,046	\$1	\$3,704	\$3,724	\$20
Oil Infrastructure	\$1,714	\$11	\$1,599	\$1,599	\$0	\$1,599	\$1,599	\$0	\$1,553	\$1,555	\$2
Water Resources and Sanitation	\$2,084	\$18	\$1,975	\$1,975	\$0	\$1,971	\$1,971	\$0	\$1,760	\$1,762	\$1
Transportation and Communications	\$454	\$3	\$451	\$451	\$0	\$451	\$451	\$0	\$398	\$398	\$0
Roads, Bridges and Construction	\$332	\$1	\$318	\$318	\$0	\$318	\$318	\$0	\$241	\$241	\$0
Health Care	\$813	\$10	\$783	\$784	\$0	\$773	\$774	\$1	\$715	\$715	\$0
Private Sector Development	\$821	\$2	\$821	\$821	\$0	\$821	\$821	\$0	\$802	\$802	\$0
Education, Refugees, Human Rights, Governance	\$426	\$10	\$423	\$423	\$0	\$423	\$423	\$0	\$394	\$394	\$0
Admin Expense (USAID, STATE)	\$213	\$0	\$210	\$210	\$0	\$210	\$210	\$0	\$210	\$210	\$0
Total	\$18,306	\$143	\$17,860	\$17,862	\$2	\$17,822	\$17,823	\$1	\$16,778	\$16,801	\$23
IRRF II Non-Construction	-	-	\$7,934	\$7,936	\$1	\$7,912	\$7,913	\$1	\$7,649	\$7,651	\$2
IRRF II Construction	-	-	\$9,406	\$9,406	\$1	\$9,390	\$9,390	\$0	\$8,613	\$8,634	\$21
IRRF II Overhead	-	-	\$520	\$520	\$0	\$520	\$520	\$0	\$516	\$516	\$0
IRRF I Total	\$2,475	\$0	\$2,291	\$2,291	\$0	\$2,232	\$2,232	\$0	\$2,139	\$2,139	\$0
Grand Total IRRF I & II	\$20,781	\$143	\$20,151	\$20,153	\$2	\$20,054	\$20,055	\$1	\$18,917	\$18,940	\$23



DIPLOMATIC – Political Engagement

UN Envoy to Iraq Touts Progress:

- The top UN envoy in Iraq, Staffan de Mistura, told the UN Security Council January 22 that significant progress has been made in Iraq in the areas of security, the economy, on the political front, and by the UN. The GOI, he said, "is signaling that it recognizes 2008 as the year to demonstrate its ability to administer a state that enjoys the broadest support and can deliver basic services and security guarantees." De Mistura also said that future progress requires rapidly enacting key legislation and providing economic benefits and essential services for Iraqis. "[Progress] needs to be sustained by political activities and dialogue among the Iraqis" he said. De Mistura's brief echoed UN Secretary-General Ban Ki-moon's recent report on Iraq.

Iranian President Expected to Visit Iraq:

- Iraq's Deputy Foreign Minister, Labeed Abawi, told Reuters January 23 that President Mahmud Ahmadinejad had accepted an invitation from President Talabani to visit Baghdad. Reuters reports this would be "a landmark trip that would make him [Ahmadinejad] the first leader of Iran to visit its former foe." An unidentified Iranian aide to Ahmadinejad said he had heard about the visit, but that no date had been set.



DIPLOMATIC – Coalition Contributors

26 Countries with forces in Iraq (including U.S.)

Albania	Denmark	Korea	Romania
Armenia	El Salvador	Latvia	Singapore
Australia	Estonia	Lithuania	Tonga
Azerbaijan	Georgia	Macedonia	Ukraine
Bosnia-Herzegovina	Japan	Moldova	United Kingdom
Bulgaria	Kazakhstan	Mongolia	
Czech Republic		Poland	

TOTAL ~ 10,604 Forces

32 Countries and NATO*
 (including the U.S.)
Support Iraqi Stability Operations

*32 includes the U.S., the 25 countries listed above, and six non-MNF-I countries: Hungary, Italy, Netherlands, Portugal, Slovenia, Turkey

Note: Fiji and New Zealand, participating as a part of the UN Assistance Mission in Iraq (UNAMI), are not included.



CONTACT INFORMATION

- This brief draws from multiple sources. References are cited on the following pages.
- Please forward all questions and/or comments to:
NEA-I-IPOG-DL@state.gov



NOTES AND SOURCE CITATIONS (1 of 2)

- DEPARTMENT OF STATE
- Slide 4:
- NEA Political Section, NEA-I-POL-DL@state.gov
 - January 21 – AFP - http://news.yahoo.com/s/afp/20080121/wl_mideast_afp/iraqunrestdetainees_080121161819
- Slide 5:
- January 22 - Washington Post
 - January 22 - Reuters
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- January 17 - LTG Odierno Pentagon Press Briefing
 - January 17 - DefenseLink - <http://www.defenselink.mil/dodcmsshare/briefingslide/321/080117-D-6570C-001.pdf>
- Slide 10:
- January 16 - MNF-I Press Briefing – MG Bergner - http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=16486&Itemid=131
 - January 19 - MNF-I's The Advisor
- Slide 11:
- DoD Input to Iraq Weekly Status Report January 23, 2008
- Slide 12:
- Stand-By Arrangement Staff Report (<http://www.imf.org/external/pubs/cat/longres.cfm?sk=21601.0>)
 - NEA Economic Section, NEA-I-ECON-DL@state.gov
- Slide 13:
- http://www.iraqupdates.com/p_articles.php/article/26453
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Slide 14:

- Department of State, NEA-I-ECON, 202-647-9885

Slide 15:

- Department of State, NEA-I-ECON, 202-647-9885

Slide 16:

- Department of State, NEA-I-ECON, 202-647-9885

Slide 17:

- www.azzaman.com/english/index.asp?fname=news/2008-01-19/kurd.htm

Slide 18:

- POC Department of State, NEA-I ECON, 202-647-9815
- The chart shows average daily power production in megawatt hours (MWh). 120,000 MWh goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load.
- Oil Prices are sourced from Bloomberg

Slide 19:

- Department of State, NEA-I-ECON, 202-647-9885

Slide 20:

- ITAO Weekly Status Report – January 23, 2008
- Iraqi Bond Prices sourced from Bloomberg

Slide 21:

- ITAO Weekly Status Report – January 23, 2008

Slide 22:

- January 21 - AP News - <http://apnews.myway.com/article/20080122/D8UAKIVG0.html>
- January 23 – Reuters - <http://www.reuters.com/article/worldNews/idUSCOL34025220080123>

Slide 23:

- DoD Input to Iraq Weekly Status Report January 16, 2008